



Senate Bill 139 Discussion

September 24, 2018



Overview

Senate Bill 139 with Senate Amendment 1:

- Requires health insurance offered in Delaware provide coverage for fertility care services including In Vitro Fertilization for individuals who suffer from a disease or condition that results in the inability to procreate or to carry a pregnancy to live birth
- Also provides for fertility preservation for individuals diagnosed with cancer or other diseases where treatment could adversely impact their fertility
- Expressly exempted employers who self-insure their health insurance plans

Current State Group Health Plan Infertility Coverage

Infertility services are covered for:

- Artificial Insemination (AI) and Intrauterine Insemination (IUI)
- In Vitro Fertilization (IVF) and related procedures
- Coverage parameters:
 - Dependent Children are not eligible
 - Women must be at least age 18 and not have reached their 45th birthday
 - Must be approved for coverage due to proven infertility problem which is not due to voluntary sterilization of either partner
 - Age appropriate AI and IUI must be tried before IVF
 - \$10,000 lifetime medical limit for all infertility services
 - \$15,000 lifetime pharmacy limit for all infertility services
 - Members pay 25% coinsurance for medical services and prescriptions

Current State Group Health Plan Medical Infertility Coverage

- Number of members currently approved for IVF and who have not reached the medical maximum of \$10K= 325
- Number of members currently approved for IVF and who have reached the medical maximum of \$10K and are under age 45 = 93

Status of State of Delaware Self-Insured Clients

- Highmark –
 - 21% of clients are self-insured
 - 76% of employees in DE Book of Business (BOB)
 - 78% of members in DE BOB
 - One self-insured client with IVF benefits with a lifetime medical dollar maximum of \$25K applicable to IVF procedures only*
- Aetna –
 - 52% of clients with members in DE are self-insured
 - 85% of employees in DE BOB
 - 88% of members in DE BOB
 - One self-insured client with infertility benefits with lifetime medical dollar maximum of \$15K for IVF services payable at 80% after plan deductible*

*No additional self-insured employers insured by Highmark or Aetna have added infertility benefits after passage of SB 139

Current State Group Health Plan Infertility Medical Claim Costs FY16 to FY18

Time Period	Paid	Member Share	Members	Plan Paid / Member
FY16	\$953,311	\$167,207	427	\$2,232
FY17	\$1,259,662	\$225,463	413	\$3,051
FY18	\$902,788	\$237,447	441	\$2,047

Includes all IVF, AI and related infertility treatment services

Current State Group Health Plan IVF only Medical Claim Costs FY16 to FY18

Time Period	Paid	Member Share	Members	Plan Paid / Member
FY16	\$458,181	\$108,607	77	\$5,950
FY17	\$700,035	\$162,669	95	\$7,369
FY18	\$510,894	\$113,800	73	\$7,000

Includes IVF procedures only

Current State Group Health Plan AI only Medical Claim Costs FY16 to FY18

Time Period	Paid	Member Share	Members	Plan Paid / Member
FY16	\$46,399	\$11,368	62	\$748
FY17	\$67,373	\$16,029	55	\$1,224
FY18	\$132,694	\$30,907	86	\$1,542

Includes IVF procedures only

Current State Group Health Plan Infertility Birth Costs FY16 – FY 18 Total

FY16 – FY18	Number of Births	Delivery Costs		Neonatal Costs	
		Delivery Cost per Contract	Total Delivery Costs	Neonatal Cost per Contract	Total Neonatal Costs
Single Births	181	\$10,000	\$1,810,000	\$21,000	\$3,801,000
Twin Births	15	\$21,000	\$315,000	\$106,500	\$1,597,500
Grand Total Three Year Costs			\$2,125,000		\$5,398,500

Costs are for all infertility births and are shown for three years as the birth process may span more than one fiscal year. Costs are not evenly distributed over each year.

Current State Group Health Plan IVF Birth Costs FY16 – FY 18 Total

FY16 – FY18	Number of Births	Delivery Costs		Neonatal Costs	
		Delivery Cost per Contract	Total Delivery Costs	Neonatal Cost per Contract	Total Neonatal Costs
Single Births	85	\$15,000	\$1,275,000	\$11,000	\$935,000
Twin Births	9	\$26,000	\$234,000	\$62,500	\$562,500
Grand Total Three Year Costs			\$1,509,000		\$1,497,500

Costs are for IVF births only and are shown for three years as the IVF and birth process may span more than one fiscal year. Costs are not evenly distributed over each year.

Current State Group Health Plan Prescription Infertility Coverage

Time Period	Paid	Member Share	Members	Plan Paid / Member
FY16	\$606,240	\$131,884	159	\$3,813
FY17	\$901,669	\$173,699	195	\$4,624
FY18	\$622,530	\$124,962	189	\$3,294

Includes all Infertility drugs

Estimated Cost Breakdown of Additional Covered Services

- Dependent Children are eligible – Minimal for IVF/Mainly Cryopreservation due to medical condition
- Women are eligible for embryo transfer up to age 50 - Minimal
- Can be approved for coverage due to voluntary sterilization if now with different partner than when sterilization occurred – Unable to ascertain number
- Age appropriate AI and IUI need not be tried before IVF in certain circumstances – minimal assuming certain circumstances referenced in bill are rate

Estimated Cost Breakdown of Additional Covered Services

- Cryopreservation and thawing of eggs, sperm and embryos
 - Aetna
 - Cryopreservation of eggs, sperms and embryos
 - Typically costs about \$300 to \$1000 per year
 - Medical cost impact is expected to be <0.1%
 - HMO Annual Dollar Value less than \$130,005
 - PPO Annual Dollar Value less than \$16,772
 - Yields average annual cost of \$147,000
 - Highmark
 - Average cost of cryopreservation per service: \$2,000 / year
 - Assumed duration of preservation per person: 5 Years
 - Assumed uptake: 40 cases per year
 - Yields average annual cost of \$80,000

Estimated Cost Breakdown

Removal of Medical Limits and Coinsurance

- No lifetime medical limit for all infertility services
 - Assumes 125* individuals get 2-3 IVF cycles per year
 - Totals 312.5 cycles per year
 - Assumes \$20,000 per cycle
 - 125 individuals times 312.5 cycles times \$20,000 per cycle
 - Total = \$6.25M reduced by \$1.1M currently paid per year
 - Net Increase of \$5.15M
- Services/prescriptions are to be provided at same cost share as those provided for non-fertility related services/prescriptions which would remove the 25% coinsurance currently paid by the members
 - Current member cost share average of \$0.13M per year at 25% coinsurance

*Based on actual utilization plus 20% increase in utilization.

Estimated Cost Breakdown

Removal of Pharmacy Limits and Coinsurance

- No lifetime pharmacy limit for all infertility services –
 - Estimated additional \$1.4M based on current three year average with 20% increase in utilization and additional rounds of IVF
 - Based on comparison to ESI client with no infertility limit on pharmacy costs
- Services/prescriptions are to be provided at same cost share as those provided for non-fertility related services/prescriptions which would remove the 25% coinsurance currently paid by the members
 - Conversion of current coinsurance to current standard copays estimated to cost \$0.1M
- Total additional costs = \$1.5M

Cost Estimate for Adoption of Senate Bill 139

Additional Costs for Coverage Change:

- Medical estimates to cover all changes to current coverage as per prior slides removing limits and changing cost share:
 - \$5.25M
- Prescription estimates to cover all changes to current coverage – removing limits and changing cost share:
 - \$1.5M
- Total - \$6.75M

Minus Potential Savings - Twin to Single Births - \$0.5M

Plus Estimated Cryopreservation Costs - \$227K

Estimated Annual Cost = \$6.47M

Next Steps

- Consider continued discussion at SEBC subcommittee level of each plan design change as outlined in SB 139 and the potential effective date

QUESTIONS?

